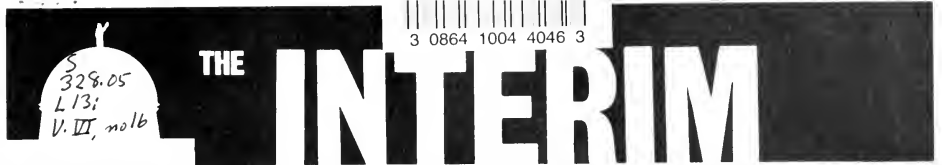


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# INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

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## Legislative Reorganization and Improvement Commission

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### Recommendations Approved

During its meeting Aug. 18 and 19, the Legislative Reorganization and Improvement Commission (LRIC) recommended:

- Establishment of a joint committee, to be formed by Nov. 19, that would arrive at a base revenue estimate to be used by the Legislature and to be submitted by the 14th legislative day;
- Reduction of the number of appropriations subcommittees from five to three
  - 1) Institutions and Human Services,
  - 2) Education and Commerce, and
  - 3) General Government, Highways and Natural Resources;
- Provision of an appeal process for review of fiscal notes by the Legislative Fiscal Analyst on request of a bill sponsor or of other legislators;
- Establishment of a formal procedure for request of fiscal notes when amendments substantially change a bill;
- Committee chairmen be informed to request amended fiscal notes through the leadership to the budget office;
- Committee chairmen and vice chairman establish consistent operating cost assumptions for all appropriations subcommittees;
- Requesting committees and subcommittees to hold executive session as soon as possible following hearing on a particular bill or a section of a bill;
- Allowing the presiding officer of each house the option of referring amendments to a bill upon return from the other house to the appropriate committee for review prior to floor debate;
- Giving the leadership of the houses authority to reduce the size of the House Appropriations Committee and the Senate Finance and Claims Committee (no specific number recommended); and

- Except as necessary to conform with requirements of the Constitution, amendment of appropriate sections of the Montana Code Annotated dealing with state special revenues to remove any earmarking of revenue to defray particular costs of an agency, program, or function of state government.

### Legislative Management Committee

The chairman of LRIC, Sen. J. D. Lynch, appointed a subcommittee to study the structure of a proposed legislative management committee with other legislative agencies and to report its findings to the full commission

### Public Hearing Planned in Billings

Friday, Sept. 30, is the date chosen for a public hearing by LRIC in Billings to allow eastern Montanans to provide input into the legislative process. Time and place of the hearing are to be determined, and interested persons can get this information by calling the Legislative Council, 444-3064

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## Legislative Audit Committee

### *Meeting Scheduled Sept. 16*

The Legislative Audit Committee will meet Friday, Sept. 16, in Room 108 of the Capitol to discuss the financial-compliance Federal Single Audit Report and the performance audit reports on the Weights and Measures Program, Department of Commerce, and the Forensic Science Division, Department of Justice.

In addition, part of the afternoon will be spent in joint meeting with the Legislative Finance Committee.

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## Joint Interim Subcommittee on Basic Education

### *School Policies Review Continues*

The Joint Interim Subcommittee on Basic Education held its fourth meeting of the interim on Aug. 15. The agenda included:

- review of the Board of Public Education's recent action on Project Excellence;
- an explanation and discussion of the Board of Regents' college preparatory and entrance requirements and how they relate to the proposed accreditation standards;
- review and discussion of a legal memorandum requested of Lee Heiman, staff attorney, on the "Ramifications of Legislative Inaction on the Foundation Program Funding Suit and Funding Implementation of School Accreditation Standards"; and
- review of staff reports on "Student Assessment Policies in Montana and the Nation" and "State Provisions for Funding School Facilities and Debt Service".

### *Joint Meeting Tentatively Planned*

The Subcommittee will meet in late September or early October with the K-12 Subcommittee and the Board of Public Education to discuss preliminary recommendations regarding a definition of basic education, costs of funding, and possible funding options, as required by HJR 16. All of those reports are available by contacting the Legislative Council.

### *OPI Conference Open to Legislators*

Legislators are invited to attend the OPI conference on "Funding Education in the 1990's

Good Education/Good Economics", at the Colonial Inn in Helena on Sept. 15 and 16. Of special interest to legislators will be presentations on Thursday, Sept. 15, by state school superintendents from Colorado, Idaho, and Texas, states which recently experienced school funding lawsuits. On Friday, Dr. John Coons, University of California at Berkeley, will be the keynote speaker. Persons planning to attend are asked to contact Myrna Omholt, OPI, 444-3654.

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## Legislative Finance Committee

### *Tentative Meeting Dates Sept. 16 and 17*

The Legislative Finance Committee has tentatively scheduled its next meeting for Friday and Saturday, Sept. 16 and 17.

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## Legislative Finance Committee - K-12 Education Subcommittee

### *Cost of Complying with Accreditation Standards*

The K-12 subcommittee of the Legislative finance Committee met Aug. 19 and heard a staff report on selecting a method for calculating teacher salaries when determining the cost of complying with accreditation standards. The methods discussed included using a statewide salary for all teachers either at or above the statewide average, using a salary of all school districts with similar enrollments set at or above the average for all the teachers within this enrollment group, and using a salary for each district based on the portion of their teachers having over three years and over seven years of experience. The subcommittee delayed action on this report pending the development of additional information. Another staff report was heard which analyzed including the costs of retirement and comprehensive insurance in the school districts general fund and including these costs in the state equalization program. No action was taken on this report.

### *Action on Consensus Items*

The subcommittee discussed issues on which there appeared to be a consensus and took actions relative to these as follows:

- 1) The current foundation and permissive equalization model will be used to provide equitable funding for education;

- 2) The current system of funding special education will be continued for the present,
- 3) Equalization aid distribution will be based on ANB,
- 4) Transportation, Building, and Debt service costs will not be included in this study or the general equalization plan at this time
- 5) PL 81-874 funds will not be included as resources for equalization at this time
- 6) This quantitative portions of the Board of Public Education's proposed accreditation standards as amended will be used as the cost basis in the development of the equalization plan

### *Meeting Planned Sept. 24*

The K-12 Education Subcommittee of the Legislative finance Committee has scheduled its next meeting for Saturday, Sept. 24, to discuss teacher salaries, comprehensive insurance and retirement.

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## **University System Funding Committee**

### *Tentative Meeting Date*

The University System Funding Committee has tentatively scheduled its next meeting for Wednesday, Sept. 14

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## **Environmental Quality Council**

### *Subdivision Laws Comments Requested*

The Environmental Quality Council met Aug. 1 to finalize work on its study of Montana's subdivision laws and agreed to ask interested participants in the study to submit final comments by Sept. 30 on the final subdivision drafts developed by the EQC. Specifically, the EQC requests recommendations either for legislative changes or for no new legislation in light of the work that has been undertaken over the last 2 years. These ideas will be compiled for legislators who may be interested in working on Montana's subdivision laws during the 1989 session.

The EQC did not endorse the final draft legislation because it believed consensus could not be reached. However, the members recommended that individual legislators use the study's end product to introduce bills to remove the subjectivity of the subdivision law and bring more divisions of land under review to ensure better land development in Montana

### *Forest Practices to be Topic*

The EQC will meet again the last week of September, probably in western Montana. The primary focus of that meeting is the HJR 49 study of forest practices in Montana. The EQC will review results of its field study audits, which have been conducted over the summer, and the questionnaire on forest practices, which was extensively distributed to resource professionals.

In late October, the EQC will hold a two-day meeting to begin developing recommendations for conclusion of the HJR 49 study. The EQC will also consider major initiatives under way at the state and federal level on pesticide and groundwater protection and monitoring. Hazardous waste management issues will also be discussed.

Details on date, time, and place of these fall meetings will be distributed to those on relevant mailing lists and will also be available by contacting the EQC.

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## **Water Policy Committee**

### *Water Rights Adjudication*

On Aug. 29, Jack Ross of Saunders, Snyder, Ross and Dickson, P.C. and Ken Wright of Wright Water Engineers (the subcontractor) discussed their draft report on the water rights adjudication process before the Water Policy Committee. The report is generally supportive of the water rights adjudication effort, though an extended timeline and some legislative amendments are suggested. Copies are available by contacting the EQC office (444-3742).

### *Public Hearings Planned*

The consultants will issue a final report by Oct. 1, and the committee will conduct followup public hearings and meetings.

- Oct. 7 -- discussion of consultants' final report and other topics
- Nov. 9 -- public hearing in Bozeman
- Nov. 10 -- public hearing in Helena
- Nov. 10-11 -- committee meeting to make preliminary recommendations
- Dec. 2 -- committee meeting to make final recommendations

### *Other Subjects for Study*

Other topics to be addressed by the committee this fall include the state water plan, water data management, water research, water development, and water transfers (including emergency transfers during periods of drought)

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## Revenue Oversight Committee

### *Meeting Scheduled on Sept. 9*

The Revenue Oversight Subcommittee will meet at 9 a.m. Friday, Sept. 9, in Room 104 of the Capitol. Among the subjects on the agenda are a report from the Office of Budget and Program Planning on revenue collections in fiscal 1988 and projections for fiscal 1989, a final report on the information compiled in the sales tax data base, a report on the Department of Revenue's plans for the automated property assessment system, and followup reports on other subjects addressed by the committee during the interim.

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## Coal Tax Oversight Subcommittee

### *Without Quorum, Subcommittee Unable to Act*

Absent a quorum, the two members of the Coal Tax Oversight Subcommittee present on Aug. 26 were unable to act on legislative proposals under consideration.

### *Meeting Sept. 21 in Billings*

The members agreed to meet at 10 a.m. Wednesday, Sept. 21, in the Fourth Floor Training Room of Norwest Bank in Billings.

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## Legislative Council

### *Many Subjects on Aug. 26 Agenda*

The Legislative Council met Aug. 26 when the principal business was consideration of a budget proposal for submission to the budget office. The Council approved submissions for the Interim Studies and Conferences, Reimbursable Activities, and Council Operations programs. A number of important issues for consideration by the legislature were incorporated in the Interim Studies and Conferences Program. This program supports Montana membership in interstate organizations, supports travel by the official delegations of legislators to meetings and conferences, and supports the bulk of interim legislator travel for policy study activity within Montana. It is always an important and controversial budget in which the entire legislature has a keen interest. Members who wish to

know more about the budget may contact the Council office.

One issue of particular interest involves Montana's hosting of the Five-State Conference next year about this time. As host state, having a good representation by our Montana legislators seems important, yet cost is an object. The Council has proposed a budget that would support travel expenses and registration fees for 50 members to attend the conference. As with other budget issues, the Council expects full and open discussion of the goals and assumptions inherent in proposing this budget.

In other business, the Council considered proposals for the reorganization of Montana's legislative agencies that have developed through the activities of the Legislative Reorganization and Improvement Commission. The Commission developed one proposal and the Executive Directors of the EQC and the Legislative Council and the Legislative Fiscal Analyst developed another. The Council authorized continued discussion of these proposals by staff. Action in this area would have a major impact on the provision of staff services to the legislature, and are being carefully considered by the committees and staff involved.

### *Legislative Council Library*

FY 88 was an active year for the Legislative Council Library. A review of the recently prepared annual report shows that library usage increased 5% over the previous non-session year, 1985-86 (a year with three special sessions).

Other accomplishments for the year included the move to new library facilities, work with the Chief Clerk on surveys about legislative committee minutes, the addition of new computerized reference sources, and the sale of microfiche copies of legislative committee minutes to libraries, law firms and other interested groups around the state.

Copies of the report are available at the Library or can be ordered by calling 444-3064.

### *Annotations*

The third of four installments of annotation updates are being finalized for delivery to the printer. Annotators are scheduled to have the remaining annotation titles to the legislative services division by early October.

### *Welfare Referendum Litigation*

On Aug. 17, District Court Judge Gordon Bennett issued an opinion and order dismissing the challenge to C18. Judge Bennett's decision was based on the Legislative Council's argument that the courts were without jurisdiction to consider a legislatively mandated referendum until such time as the referendum process is complete. The Council was the only party to the litigation that raised this issue. Judge Bennett expressed the opinion that the ballot title and statements of implication

are false and misleading. He stated that the defects could be corrected in the ongoing referendum process. If the council had not intervened it is very likely that C18 would have been removed from the November ballot. Valencia Lane's amicus brief on behalf of the Legislative Council and Judge Bennett's opinion are available from the legal division.

The plaintiffs have appealed Judge Bennett's decision to the Montana Supreme Court. The Attorney General has cross-appealed on behalf of the State. The Legislative Council and the Montana Legal Defense Fund, Inc., have been granted amicus curiae status in the Supreme Court. Defense and amicus curiae briefs are due Sept. 2.

### ***Bill Drafting Seminar***

The legal division conducted the biennial bill drafting seminar on Aug. 18. This seminar is approved by the State Bar Association for continuing legal education accreditation, and enables the staff attorneys to partially fulfill their annual hourly requirement. Because the legal division was unable to find a day when scheduling conflicts did not exist, the seminar was video taped for those wishing to view it at a later date. All comments on the seminar's content have been very favorable.

### ***Legal Memoranda***

- Ramification of Legislative Inaction on the Foundation Program Funding Suit and Funding Implementation of School Accreditation Standards
- What Constitutes a Legislative Day and Limitations on Legislator Salaries

### ***Research Reports***

- State Policies on Student Assessment in Montana and the Nation
- State Provisions for Funding School Facilities and Debt Service

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## **Joint Interim Subcommittee on Welfare**

### ***Possible Legislative Recommendations Discussed***

The Joint Interim Subcommittee on Welfare met Aug. 26 to discuss legislation for possible recommendation to the 1989 Legislature.

### ***Welfare Study Legislation***

The Subcommittee reviewed eight bill drafts for legislation to address Montana welfare issues:

- 1) A bill to establish employability as a classification of eligibility for General Assistance (GA); to limit the duration of assistance

provided to employable persons, and to require employable recipients to participate in a job search, training, and work program or other program as a condition of eligibility for GA.

- 2) A bill to deny GA for 3 months to persons who voluntarily quit employment without good cause or who are discharged from employment due to misconduct.
- 3) A bill to extend Medicaid eligibility from 9 months to 15 months for persons who lose eligibility for AFDC due to employment.
- 4) A bill to raise the AFDC income and need standards to allow AFDC recipients to have increased income from employment and retain eligibility for public assistance benefits.
- 5) A bill to seek a waiver from current federal regulations that prohibit AFDC-unemployed parent recipients from working more than 100 hours or more in any month.
- 6) A bill to provide assured child support in all paternity actions and proceedings for the dissolution of marriage, to require consideration of uniform guidelines in determining the amount of child support, and to provide for child support collection through automatic income withholding.
- 7) A bill to impose stricter sanctions for a GA recipient's refusal to comply with state work requirements, and to provide for termination of assistance if an employable recipient without good cause refuses to register for or accept employment or refuses to participate in a required work program.
- 8) A bill to mandate that the Department of Social and Rehabilitation Services perform quality assurance reviews of the General Assistance Program in order to preserve the integrity of the program.

The Subcommittee took no action at this meeting on any of these bills.

### ***Other Bill Drafts Requested***

The Subcommittee also discussed other options for possible legislation. Based on its consideration of these options, the Subcommittee requested the following bills:

- 1) A bill to require individuals to seek work or to participate in employment-related activity as a condition of eligibility for the AFDC Program.
- 2) A bill to establish a state work program for AFDC recipients.
- 3) A bill to direct that the Montana Job Training Partnership Act (JTPA) Program be used to reduce the welfare rolls.
- 4) A bill to clarify the purpose of the General Assistance Project Work Program.
- 5) A bill to provide greater financial incentives for GA recipients to obtain employment.

- 6) A bill to require payment of GA in the form of vouchers or vendor payments during the initial month of assistance.

### *Options Rejected*

The Subcommittee voted to reject options that would.

- 1) Impose a waiting period for eligibility to receive General Assistance.
- 2) Require that GA recipients fulfill their work obligation before receiving payment of welfare benefits.

- 3) Require the state to assume all financial and administrative responsibility for public assistance programs in Montana.
- 4) Require uniform administration of county welfare programs.

### *Next Meeting*

The Subcommittee will meet again in October to determine its findings and final recommendations to the 1989 Legislature.



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5 LABOR DAY <b>DAY OFF!</b>	6	7	8	9 Revenue Oversight Comm. Rm. 104	10
11	12 Indian Affairs Rm. 104	13	14	15	16 Tentative Legislative Finance Comm. Rm. 104 Leg. Audit Comm. - Rm. 108	17
18	19	20	21 Coal Tax Oversight Comm. Billings	22	23 Legislative Council Rm. 104	24 Leg. Finance Education Subcomm. Rm. 104
25	26	27	28	29	30 LRIC - Public hearing - Billings	

- OCTOBER -

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1 Indian Affairs Rm. 104
2	3	4	5	6	7 EQC - Water Policy Rm. 104	8
9	10 COLUMBUS DAY <b>DAY OFF!</b>	11	12	13	14 Revenue Over- sight Comm. Rm. 104	15
16	17	18	19	20	21	22
23 30	24 31	25	26	27	28	29

\*ALL MEETINGS ARE SUBJECT TO CHANGE



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Montana Legislative Council  
Room 138  
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